



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 1/25/2021

Agenda Placement: 7D

## Napa County Legislative Subcommittee Board Agenda Letter

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**TO:** Napa County Legislative Subcommittee

**FROM:** Molly Rattigan for Minh Tran - County Executive Officer  
County Executive Office

**REPORT BY:** Nelson Cortez, STAFF ASSISTANT II - BOS - 7072991478

**SUBJECT:** SB 219 (McGuire) Property taxation: delinquent penalties and costs: cancellation: public health orders

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### **RECOMMENDATION**

County Executive Officer seeks discussion and possible action on SB 219 (McGuire) that will relieve the requirement that tax collectors assess penalties on taxpayers who have been unable to pay their taxes timely due to an economic hardship caused by a shelter-at-home order.

### **EXECUTIVE SUMMARY**

SB 219 (McGuire) would authorize the auditor or tax collector to cancel any penalty, costs, or other charges resulting from tax delinquency upon a funding that failure to make a timely payment is due to a documented hardship, arising from a shelter-at-place order, if the principal payment for the proper amount of tax due is paid no later than June 30 of the fiscal year in which the payment first became delinquent.

Supported by the Napa County Treasurer-Tax Collector, whom has been invited to attend the meeting on January 25.

Staff is requesting discussion and possible action.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION****Synopsis and Background**

Unlike taxes collected at the point of sale, property taxes are statutorily only collected twice a year, with unbending requirements to pay by 5:00 PM on April 10 and December 10 of each year. Substantial penalties are assessed on late payments. This is to properly incentivize the timely payment of taxes. The revenues from these taxes meet the near-term obligations for schools, cities, counties, and special districts, including payroll, operations, and bond debt repayments. Any sizable disruption in that cash flow, which the auditor apportions within days of collection, would have been and would be catastrophic for the solvent functioning of local government units. Current law provides for very minimal discretion to local tax collectors to assist individuals going through hardship.

Governor Newsom issued Order N-61-20 to authorize Tax Collectors to provide the relief being sought in SB 219 for a specified time period (through May 2021). SB 219 picks up where the executive order ends, by addressing any future payment deadlines that pass during a shelter-at-home order.

SB 219 would authorize the auditor or the tax collector to cancel any penalty, costs, or other charges resulting from tax delinquency upon finding it was a result of a documented hardship arising from a shelter-in-place order, if the principal payment is paid no later than June 30 of the fiscal year in which the payment first became delinquent.

**Status**

Introduced, pending referral to committee.

**Support and Opposition**

**CSAC:** Pending

**RCRC:** Pending

**NACo:** N/A

**Local:** Treasurer-Tax Collector

**STAFF COMMENTS**

**Platform:** No

**Federal:** N/A

**State:** N/A

**Potential Impact to Napa County**

According to the Treasurer-Tax Collector, the only impact to the County would be a delay in receiving property tax apportionments. Funds typically allocable in December and April will be delayed until the end of the year.

**SUPPORTING DOCUMENTS**

A . Bill Text

Recommendation: Approve

Reviewed By: Molly Rattigan